

Twelfth Amendment to the Iowa Medicaid Enterprise Core MMIS Contract

This Twelfth Amendment to the Contract for Iowa Medicaid Enterprise Core MMIS Services, MED-04-015A (the "Contract") between the Iowa Department of Human Services (the "Department") and Noridian Healthcare Solutions, LLC (the "Contractor"), is effective January 1, 2015.

Section 1. Background. The parties to the Contract wish to extend the Contract through June 30, 2015, with all services provided pursuant to the Contract extended through that date. The intent of this Twelfth Amendment is to incorporate the language of all prior amendments to Sections 4, 5, and 6.1 of the Contract and incorporate any necessary changes to these provisions to clarify that the obligations of the parties extend through June 30, 2015.

Section 2. Amendment to Contract. The Contract is amended as follows:

Revision 1: Section 4 of the Contract is hereby amended to read as follows. Section 4.1 and all subparts of Section 4.1 remain unchanged:

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth in Section 4 of RFP MED-04-015 and are incorporated herein by reference. Service requirements and performance standards applicable to the systems component contractors of the IME, including the Core Medicaid Management Information System (MMIS) Component Contractor, are set forth in Section 5.1 of RFP MED-04-015 and are incorporated herein by reference. Services requirements and performance standards specific to the Core MMIS Component Contractor are set forth in Section 5.2 of RFP MED 04-015 and are incorporated herein by reference.

In addition, Contractor shall be responsible for performing the Scope of Work outlined in Attachment 6 to the Third Amendment to the Contract related to additional services necessitated by the NPI Contingency Plan.

In addition, Contractor shall be responsible for performing the Scope of Work as outlined in Attachment Seven to the Fourth Amendment to the Contract, which relates to implementing service improvements to the National Provider Identifier (NPI) Web Portal and the Medicaid Management Information System (MMIS) NPI Expansion project.

In addition, Contractor shall be responsible for performing the Scope of Work as outlined in Attachment Eight to the Fifth Amendment to the Contract, which relates to implementing enhancements to IMEServices.org, Provider Enrollment and addressing the Design Document which is the precursor to transitioning the maintenance of the provider file from the MMIS to the Web.

As to the work outlined in the Fifth Amendment to the Contract, the Contractor may invoice the Department for the above-referenced payments in two installments: the first on May 30, 2007, and second upon the Department's approval of completion of the project and acceptance of all deliverables. Completion shall be on or before June 30, 2008.

The additional scope of work attached to the Ninth Amendment as Attachment 9 is incorporated hereby by reference. Contractor's obligation to perform these additional duties shall begin upon receipt of notice from the Department that the Department has terminated Contract No. MED-04-085 and shall continue through expiration or termination of the Contract.

Revision 2: Section 5 of the Contract is amended to read as follows:

The term of the Base Contract is July 1, 2004 through June 30, 2010.

The Contract Renewal Option Years will consist of four (4), one-(1) year options. The Department may choose to renew the Contract for one (1) or more of the Contract Renewal Option Years. The Department shall have the sole discretion to exercise each renewal option. The Department shall use best efforts to notify the Contractor of the renewal decision ninety (90) days prior to the effective date.

Beginning July 1, 2014, the Department may extend the Contract for two additional six-month terms.

Revision 3: The Contract is hereby extended from January 1, 2015, through June 30, 2015.

Revision 4: Section 6 of the Contract is amended to read as follows:

6.0 Payment Terms and Compensation

6.1 Performance Based Contract

Contractor acknowledges that this is a fixed price performance based Contract and that the Contractor is obligated to perform all of the Contractor's Responsibilities and meet all of the Contractor Performance Standards in this Contract. DHS acknowledges that it is responsible for meeting all State Responsibilities in the RFP and this Contract.

The price for Implementation is \$7,153,200.

In addition to this sum, Contractor shall also be entitled to an initial payment of \$405,797.00 upon acceptance of the following software and hardware ("Imaging Deliverables") purchased pursuant to this Amendment:

1. Two Kodak i660 scanners and all equipment, peripherals, or goods necessary to connect the scanners to the Department's computer system;

2. Scanning software known as Transform-EZ distributed by Dakota Imaging and any special coding and/or other software necessary to integrate the software into the IME's MMIS system, thereby providing optical character recognition capability of form data and importation of that data into the IME OnBase database; and
3. The cost of any software and hardware maintenance of the Imaging Deliverables during the first year of operations.

Contractor shall obtain, setup, and install the Imaging Deliverables on the Department's system. Contractor shall bear all freight, shipping, handling and insurance costs of delivery of the Imaging Deliverables and shall bear all risk of loss with respect to the Imaging Deliverables, including any losses resulting from any damage to or destruction of the Imaging Deliverables, in whole or in part, which may occur prior to acceptance.

Immediately upon acceptance of the fully installed and fully functional Imaging Deliverables, the Contractor shall be entitled to the initial payment for the Imaging Deliverables. Upon termination of the Contract, Contractor shall assign title to the Imaging Deliverables and any warranty or product guarantee to the Department conditioned upon: (a) the Department's execution of an Assignment and Assumption Agreement with Dakota Imaging and the Contractor; and (b) Contractors License Agreement with Dakota Imaging being in effect as of the date the Department executes the Assignment and Assumption Agreement.

Under this Amendment, Contractor is not financially responsible for consumable goods required to operate the Imaging Deliverables, including light bulbs, printer cartridges, and paper.

The prices for Operations and Transition in the Base Term are:

SFY 2006	\$5,666,700
SFY 2007	\$5,961,400
SFY 2008	\$6,266,000
SFY 2009	\$6,580,500
SFY 2010	\$6,905,700

The prices for the three (3) Renewal Option Years are:

SFY 2011	\$7,246,200
SFY 2012	\$7,593,800
SFY 2013	\$7,953,500

The price for Operations in Option Year four (4) is:

SFY 2014	\$8,351,175
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Contractor will also be responsible for any service necessary to keep the Imaging Deliverables functioning 95% of the time with 95% accuracy, which shall be a Contract Performance Standard during the life of this contract. Therefore, the

above SFY values shall be increased by the following yearly amounts to account for the cost of any requisite service necessary to maintain the Imaging Deliverables:

SFY 2007	\$53,586
SFY 2008	\$111,949
SFY 2009	\$115,308
SFY 2010	\$118,768

The amounts available for maintenance costs during the three (3) Renewal Option Years are:

SFY 2011	\$122,330
SFY 2012	\$126,000
SFY 2013	\$129,779

The amount available for Imaging Deliverables maintenance costs in Option Year four (4) is:

SFY 2014	\$133,673
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The amount available for the Claims Support Services costs in Option Year four (4) is:

SFY 2014	\$10,800.
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The amount available for the IowaCare Claims costs in Option Year four (4) is:

SFY 2014	\$194,401.32
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The amount available for the actual postage estimated to be \$200-\$300 per month in Option Year four (4) is:

SFY 2014	\$3,600
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The rates for the first six months of SFY 2015 are:

1. \$4,272,788.16 for Operations
2. \$66,836.52 for Imaging Deliverables maintenance costs.
3. \$5,400.00 for Claims Support Services.
4. Actual postage.
5. \$72,000 for mailroom operations for IHAWP.

The rates for the last six months of SFY 2015 are:

1. \$4,400,971.80 for Operations.
2. \$68,841.62 for Imaging Deliverables maintenance costs.
3. \$5,562.00 for Claims Support Services.
4. Actual postage.
5. \$72,000 for mailroom operations for IHAWP.

The Contractor and Dakota Imaging have entered into a Transform EZ Software License Agreement dated as of March 28, 2005, and any addenda or amendments thereto (collectively the "License Agreement"). The Contractor and Dakota

Imaging have entered into a Master Transform EZ Maintenance Agreement dated as of November 21, 2005, and any addenda or amendments thereto (collectively the "Maintenance Agreement"). The Department agrees that any future costs, including any overhead costs incurred by Contractor, associated with License Agreement and Maintenance Agreement that have been approved by the Department may be passed on directly to the Department.

In addition to the price identified herein, A) If the Contractor requested equipment and supplies in their Bid Proposal for the Implementation, the Department will provide the equipment and supplies if approved; B) During the Operations, Transition, and Renewal Option Years, if applicable, the Department will provide the Contractor the equipment and supplies specified in **Attachment 2**; C) Prices are inclusive of all EDI costs and charges.

The Change Service Request (CSR) hourly rate is \$85 per hour. This rate is only applicable to work prioritized and approved by the Department if additional systems resources must be provided to perform beyond the daily resources identified in the table of organization submitted by Noridian on June 18, 2004 (**Attachment 5**), as handling the systems maintenance and enhancements to the MMIS.

Prior to June 30, 2005, DHS and the Contractor shall agree on sources of, and methodologies for evaluating, and the format for reporting, the performance of the Contractor. All performance reports shall be a matter of public record.

Without limiting any other provision of this Contract, payment of the Contractor's Compensation may, in the sole discretion of DHS, be tied to contract performance as follows:

Implementation Payment: One-twelfth (1/12) of sixty percent (60.0%) of the Implementation Price shall be earned monthly during the first twelve (12) months of the Contract term. Payment shall be made upon presentation of evidence that progress has been made by the Contractor consistent with the Contractor's Work Plan for the Implementation Phase. Twenty percent (20.0%) of the Implementation Price shall become earned ten (10) business days following the Contractor's commencement of the Operations Phase. Fifteen percent (15.0%) of the Implementation Price shall become earned forty (40) business days following the Contractor's commencement of the Operations Phase. Five percent (5.0%) of the Implementation Price shall become earned five (5) business days following certification of the Iowa MMIS system by the Centers for Medicare and Medicaid Services (CMS).

Operations and Transition Payment: One twelfth (1/12) of the annual operations and transition payment shall be earned monthly and invoiced the month following the month in which services are performed. During any state fiscal year DHS may withhold up to twelve (12%) percent of the Contractor's

annual compensation for operations and transition services for failure to perform, provided, however, that DHS may withhold no more, under this section 6.1 of the Contract, than the following:

July:	0% of Annual Compensation
July through August:	0% of Annual Compensation
July through September:	3% of Annual Compensation
July through October:	4% of Annual Compensation
July through November:	5% of Annual Compensation
July through December:	6% of Annual Compensation
July through January	7% of Annual Compensation
July through February	8% of Annual Compensation
July through March	9% of Annual Compensation
July through April	10% of Annual Compensation
July through May	11% of Annual Compensation
July through June	12% of Annual Compensation

No amount shall be withheld when failure to perform is due solely to another's action or failure to act, including, without limitation, DHS' action or failure to act.

The amount withheld for failure to perform a requirement or to meet a standard under this Contract shall be released to the Contractor upon presentation to DHS of satisfactory evidence of successful implementation of a plan to correct the performance failure for which the amount was withheld. If there is any amount withheld at the end of a fiscal year it shall be released to the Contractor upon successful implementation of the plan of correction in the subsequent fiscal year. If there is an amount withheld at termination of this Contract or at the end of the Contract term, the amount withheld shall be placed in escrow, and the Contractor and the State shall agree on steps the Contractor shall take to earn the balance in escrow.

If the total amount withheld for failure to perform a requirement or meet a standard under or this Contract is greater than one hundred dollars (\$100.00) for more than three (3) consecutive months during or after the term of the Contract the Contractor shall forfeit five (5%) of the withheld amount to DHS.

In addition to the above mentioned amounts, the Contractor shall be reimbursed the sum of \$150,238 for SFY 2007. This sum represents costs arising from the additional volume of imaging over and above both parties' contracted expectations.

In addition to the payment terms set forth above, Contractor shall be paid a monthly fixed cost based on the estimated staffing necessitated by the Third Amendment to the Contract. Payments for each month of the NPI Contingency Plan shall be as follows:

July 2007.....\$100,000

August 2007.....	\$100,000
September 2007.....	\$100,000
October 2007.....	\$27,625
November 2007.....	\$27,625
December 2007.....	\$27,625
January 2008.....	\$27,625
February 2008.....	\$27,625
March 2008.....	\$27,625
April 2008.....	\$27,625
<u>May 2008.....</u>	<u>\$27,625</u>
GRAND TOTAL.....	\$521,000

Contractor shall submit a separate invoice to the Department at the end of each month during the NPI Contingency Plan for fixed costs based on the amounts outlined herein. A total of \$75,000 shall be withheld from the July 2007 invoice. Upon successful completion all remaining work of the Scope of Work under Amendment Three of the Contract, and acceptance by the Department the Contractor shall be entitled to invoice the remaining \$75,000.

In addition to the payment terms set forth above, the Contractor shall be paid a fixed cost based on the implementation of the Department-approved requirements for the Scope of Work outlined in Attachment Seven. A total of \$96,284 shall be paid for the total NPI Web Portal enhancements and \$153,000 shall be paid for the MMIS NPI Edit Expansion project.

As to each of the projects outlined in the Fourth Amendment to the Contract, Contractor may invoice the Department for the above-referenced payments in three equal monthly installments beginning August 30, 2007. However, Contractor shall only invoice for seventy-five percent (75%) of the monthly payment amount. The Contractor may invoice the Department for the remaining twenty-five percent (25%) upon successful completion and acceptance by the Department of the finalized project.

The work outlined in Attachment 8 is to be billed at the actual number of hours worked at a rate of \$115.00 per hour up to a maximum amount not to exceed \$199,321.50, and is to be completed by June 30, 2008.

In addition to the amounts set forth above, for the scope of work as outlined in the Ninth Amendment, Contractor shall be paid the fixed rate for SFY2011, which will be \$900 per month, invoiced each month through June 30, 2013 starting upon dissolution of the Print/Mail Contract MED-04-085. Postage costs will be passed through to the State.

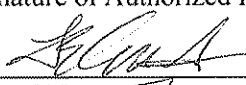
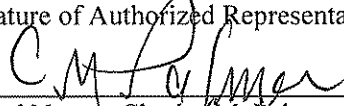
Section 2. Ratification, Authorization, and Contingency

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party

to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This Amendment is contingent on CMS approval.

Section 3. Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Contractor, Noridian Healthcare Solutions, LLC	Agency, Iowa Department of Human Services
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: <i>Thomas E. McGraw</i>	Printed Name: Charles M. Palmer
Title: <i>Pres. and CEO</i>	Title: Director
Date: <i>12/30/14</i>	Date: <i>12-31-14</i>